

CERTIFIED TRANSLATION

(H.J.Res. 543)

**JOINT RESOLUTION NO. 44**  
**JULY 1, 2014**

To extend the line of credit established in the Government Development Bank under Joint Resolution 146-2011, in order to increase it by an additional one hundred and eight million dollars (\$108,000,000); to provide that said line of credit established to defray the Incentive, Retirement and Retraining Program created under Law 70-2010, as amended, known as the "Incentivized Retirement and Retraining Program Act" and payment of liquidation to employees who chose to retire under Law No. 447 of May 15, 1951, as amended, also may be used for payment of liquidation of public employees of the Department of Education that choose any retirement system in accordance with any other legal provision and for other related purposes.

**STATEMENT OF PURPOSE**

Joint Resolution 146-2011 authorized the Budget Management Office (OGP, acronym in Spanish) to assign to the Government Agencies of the Commonwealth of Puerto Rico the funds necessary for the Program Administrator, created in accordance with Law 70-2010, as amended, known as the "Incentivized Retirement and Retraining Program Act," to be able to grant the economic incentives or other benefits to the employees who chose early retirement program or voluntary separation from their employment in the Government of the Commonwealth of Puerto Rico. To that effect, said Resolution ordered OGP to assign all of these funds to the 2011-2012 Fiscal Year Budget. Nevertheless, if the totality of these funds may not be deposited in said Fiscal Year, the amount remaining or the entirety of the funds shall be assigned to any other fund, future budget or line of credit. In accordance with what is stated therein, a line of credit of one hundred million dollars (\$100,000,000) was established in the Government Development Bank for said purposes.

Subsequently, through Joint Resolution No. 18-2013, OGP was authorized to use the line of credit created under Joint Resolution No. 146, *supra*, to assign payment of liquidation of employees who requested retirement prior to June 30, 2013 in accordance with the provisions of Law 3-2013, as amended, to such agencies that could not comply with said settlement because they lacked funds for said purposes.



I, Juan E. Segarra, USCCI #06-067/translator, certify that the foregoing is a true and accurate translation, to the best of my abilities, of the document in Spanish which I have seen.



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In light of the enactment of Law 160-2013, known as the "Retirement System Act for Teachers of the Commonwealth of Puerto Rico," which created a new Retirement System for Teachers, an unusual pattern of persons receiving retirement benefits is foreseeable, and so a global payment of their accrued leaves could have an immediate effect on the budget and deprive it of the necessary resources to offer direct services. Furthermore, the Department of Education must take immediate measures to optimize the physical facilities of schools and improve the services that it provides to students.

In light of the foregoing, the Government must be prepared, in order to prevent putting the budget balance at risk and, as a government efficiency measure, match the recurring savings with the expenses in a recurring manner. Therefore, this measure will allow the recurring savings in payroll resulting from people choosing retirement to be matched with a recurring expense in order to improve the services that our students deserve. This way, the resources that become available as a result of the reduction in payroll expenses may be immediately invested in direct services to our children and youth.

Therefore, this Joint Resolution increases by an additional one hundred and eight million dollars (\$108,000,000) the line of credit established in the Government Development Bank under Joint Resolution No. 146, *supra*, and authorizes OGP to use those line funds to pay the liquidation of public servants who choose the benefits of retirement.

*THE PUERTO RICO LEGISLATIVE ASSEMBLY HEREBY DECREES:*

Section 1.-The Office of Management and Budget is authorized to coordinate, with the Government Development Bank, an increase of an additional one hundred and eight million dollars (\$108,000,000) in the line of credit established in the Government Development Bank under Joint Resolution 146-2011, under the terms and conditions agreed on between the Government Development Bank and the Office of Management and Budget.

Section 2.-The Office of Management and Budget is authorized to use the line of credit created under Joint Resolution 146-2011, as herein extended, for the following purposes:

- (a) Assign the necessary resources required by agencies, to make payments related to the Incentive, Retirement and Retraining Program created under Law 70-2010, as amended, known as the "Incentivized Retirement and Retraining Program Act".



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- (b) Assign the necessary resources for payment of the liquidation of employees who request retirement before June 30, 2013, under Law 3-2013, as amended, or before December 31, 2013, as provided by Article 5-115 of Law No. 447 enacted on May 15, 1951, as amended, or who request retirement on any date under Law 160-2013, known as the "Retirement System Act for Teachers of the Commonwealth of Puerto Rico," to agencies which are not able to pay said liquidation due to lack of funds for said purposes in their budgets and certify so to the Office of Management and Budget.

Section 3.-This Joint Resolution will come into effect immediately after it is approved.



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